

DDI CHRONO
29 OCT 84

DDI #06174-84
29 October 1984

MEMORANDUM FOR: Director, SOVA

FROM : Deputy Director for Intelligence

SUBJECT : Report on the Soviet Working Group (SWG)

1. Thank you for your report on the first session of Harry Rowen's task force on the Soviet economy. I have two concerns that I believe you should communicate to Harry directly and soon:

- First, I am disturbed by the leisurely pace of this undertaking. The idea of this group meeting in mid-October and then not meeting again for nearly two months suggests a drawn out undertaking which is inconsistent with my earlier conversations with Harry and frankly diminishes the group's usefulness to us. Please tell Harry that, at minimum, I want an interim report by the 1st of March and a final report by the 1st of April. The Directorate has a great deal of work underway on the Soviet economy relevant to the Working Group's focus and which I would like to have benefit from it. Also, neither of the earlier efforts on this subject -- either PFIAB or Selin -- took more than six months for its study. If the membership of the Panel cannot meet that kind of a deadline, then we have the wrong members because we need people who are willing to dedicate the time to it (although obviously not full-time) to get it done.
- Second, as the Director again reminded me a few days ago, he does not believe this effort will meet his objectives if it becomes a case only of academics talking to one another. He wants the Panel to get out and talk to people who are actually doing business with the Soviet Union, who are involved with them economically on a day to day basis, and who have some first-hand impressions and information on economic difficulties there. At a minimum, for example, he would like somebody to talk with Dwayne Andreas, a substantial commodity trader who has been doing a good deal of business with the Soviets. Another candidate he

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mentioned was Peter Flanigan, apparently the present head of the US-USSR Trade Committee. There are undoubtedly others that should be interviewed as well.

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2. In sum, the effort of the Task Force is essentially two-fold: First, to review CIA's work and determine if there is a synergism among problem areas of the economy that makes the whole problem greater than the sum of the parts, and second, to get out and do some original information gathering with people who have "ground truth" on the Soviet economy and feed that into the process.

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3. The purpose of this undertaking is to do us some good and help us determine if we need to change the focus or thrust of our own work on the Soviet economy. It is not simply to satisfy the curiosity or interest of a variety of academicians. If Harry has any problems with these fundamental aspects of this study, I suggest you have him call me.

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Robert M. Gates

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